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THE WHITE HOUSE

WASHINGTON

NR 7/23

Friday, July 23, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reasons for Avoiding a big Military Appropriation in Vietnam

1. It would be a belligerent challenge to the Soviets at a time when it is important to do only the things which we have to do.

2. It would stir talk about controls over the economy and inflation -- at a time when controls are not needed and inflation is not that kind of a problem.

3. It would play into the hands of the Soviets at Geneva and elsewhere, because they could argue that it was a flagrant breach of the policy of "mutual example" on defense budgets.

4. It is not needed -- because there are other ways of financing our full effort in Vietnam for the present.

McG. B.

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